

**WHITE & CASE LLP**

David M. Turetsky  
Samuel P. Hershey  
Joshua D. Weedman  
1221 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 819-8200  
Facsimile: (212) 354-8113  
Email: david.turetsky@whitecase.com  
sam.hershey@whitecase.com  
jweedman@whitecase.com

– and –

**WHITE & CASE LLP**

Michael C. Andolina (admitted *pro hac vice*)  
Gregory F. Pesce (admitted *pro hac vice*)  
Carolyn P. Gurland  
111 South Wacker Drive, Suite 5100  
Chicago, Illinois 60606  
Telephone: (312) 881-5400  
Facsimile: (312) 881-5450  
Email: mandolina@whitecase.com  
gregory.pesce@whitecase.com  
carolyn.gurland@whitecase.com

**WHITE & CASE LLP**

Aaron Colodny (admitted *pro hac vice*)  
555 South Flower Street, Suite 2700  
Los Angeles, California 90071  
Telephone: (213) 620-7700  
Facsimile: (213) 452-2329  
Email: aaron.colodny@whitecase.com

– and –

**WHITE & CASE LLP**

Keith H. Wofford  
Southeast Financial Center  
200 South Biscayne Blvd., Suite 4900  
Miami, Florida 33131  
Telephone: (305) 371-2700  
Facsimile: (305) 358-5744  
Email: kwofford@whitecase.com

*Counsel to the Official Committee of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

---

)  
) Chapter 11  
)  
) Case No. 22-10964 (MG)  
)  
) (Jointly Administered)  
)

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS'  
CONFIRMATION HEARING PRESENTATION**

---

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these Chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

Pursuant to Rules 7026 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 26(a)(3) of the Federal Rules of Civil Procedure, and the *Order Establishing Case Management Procedures for the Confirmation Hearing* [Docket No. 3478 at ¶ 2], the Official Committee of Unsecured Creditors appointed in the above-captioned matter (the “**Committee**”), by and through its undersigned counsel, hereby files its presentation (the “**Presentation**”) in connection with opening arguments for the hearing on confirmation of the Debtors’ *Modified Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates* [Docket No. 3577].

The Presentation is attached hereto as Exhibit A. Copies of the Presentation can be obtained free of charge by visiting the website of Stretto at <http://www.cases.stretto.celsius>. You may also obtain copies of any pleadings by visiting the Court’s website at <http://www.nysb.uscourts.gov> in accordance with the procedures and fees set forth therein.

*[Remainder of Page Intentionally Left Blank]*

Dated: September 29, 2023  
New York, New York

/s/ Aaron E. Colodny

**WHITE & CASE LLP**

David M. Turetsky  
Samuel P. Hershey  
Joshua D. Weedman  
1221 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 819-8200  
Facsimile: (212) 354-8113  
Email: david.turetsky@whitecase.com  
sam.hershey@whitecase.com  
jweedman@whitecase.com

– and –

**WHITE & CASE LLP**

Michael C. Andolina (admitted *pro hac vice*)  
Gregory F. Pesce (admitted *pro hac vice*)  
Carolyn P. Gurland  
111 South Wacker Drive, Suite 5100  
Chicago, Illinois 60606  
Telephone: (312) 881-5400  
Facsimile: (312) 881-5450  
Email: mandolina@whitecase.com  
gregory.pesce@whitecase.com  
carolyn.gurland@whitecase.com

– and –

**WHITE & CASE LLP**

Keith H. Wofford  
Southeast Financial Center  
200 South Biscayne Blvd., Suite 4900  
Miami, Florida 33131  
Telephone: (305) 371-2700  
Facsimile: (305) 358-5744  
Email: kwofford@whitecase.com

– and –

**WHITE & CASE LLP**

Aaron E. Colodny (admitted *pro hac vice*)

555 South Flower Street, Suite 2700

Los Angeles, California 90071

Telephone: (213) 620-7700

Facsimile: (213) 452-2329

Email: aaron.colodny@whitecase.com

*Counsel to the Official Committee of  
Unsecured Creditors*

**Exhibit A**

# ***Celsius Network LLC, et al.***

**Case No. 22-10964-mg**

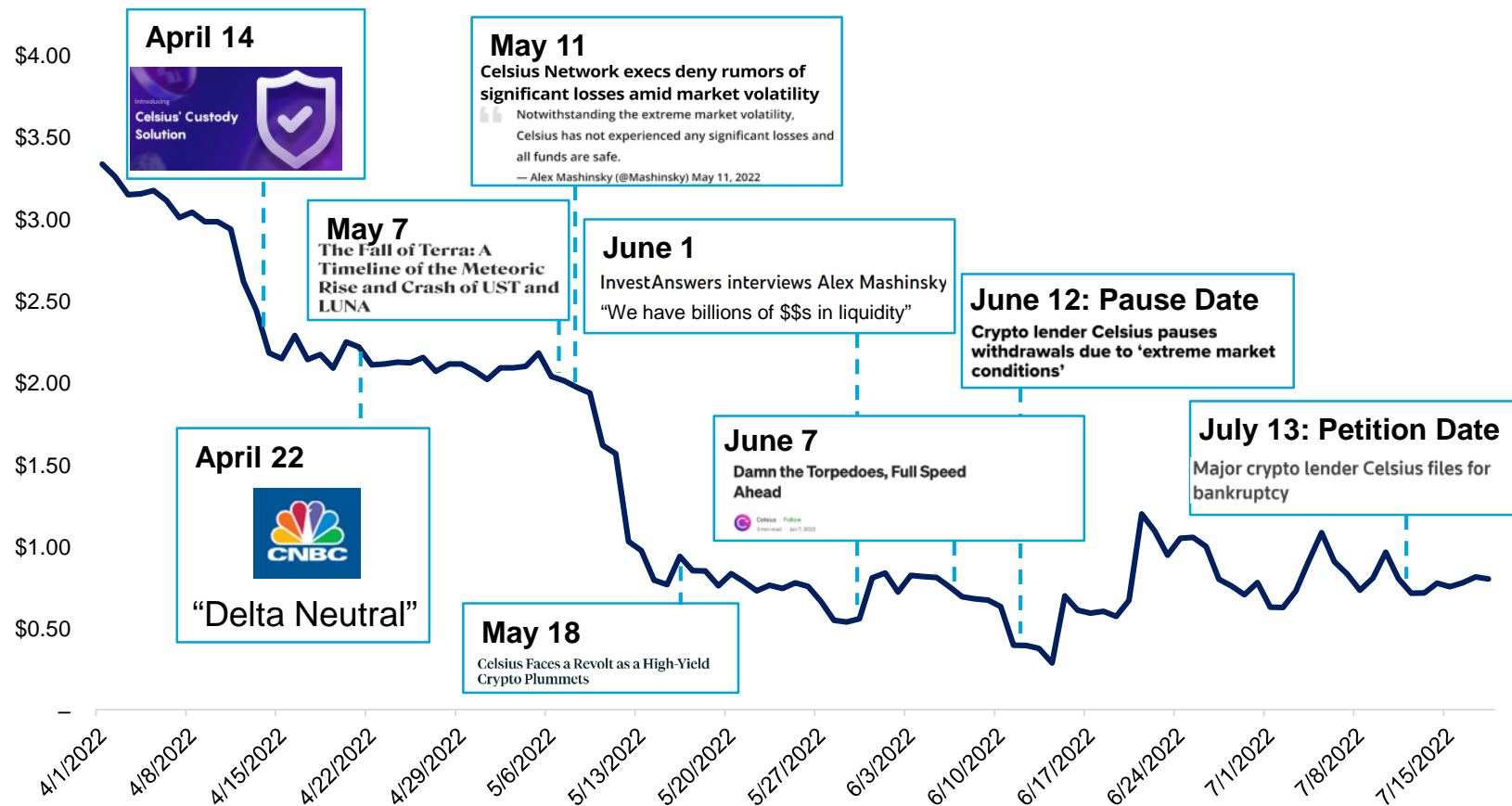
## **Confirmation Opening Argument Demonstrative**

Official Committee of Unsecured Creditors

---

October 2, 2023

# Events Leading to the Petition Date



# July 13, 2022 - The Petition Date

22-10964-mg Doc 23 Filed 07/14/22 Entered 07/14/22 14:27:45 Main Document  
Pg 1 of 61

Joshua A. Sussberg, P.C.  
KIRKLAND & ELLIS LLP  
KIRKLAND & ELLIS INTERNATIONAL LLP  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

Patrick J. Nash, Jr., P.C. (pro hac vice pending)  
Rosa M. Kwanstein, P.C. (pro hac vice pending)  
KIRKLAND & ELLIS LLP  
KIRKLAND & ELLIS INTERNATIONAL LLP  
300 North LaSalle Street  
Chicago, Illinois 60654  
Telephone: (312) 862-2000  
Facsimile: (312) 862-2200

*Proposed Counsel to the Debtors and  
Debtors in Possession*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re: ) Chapter 11  
CELSIUS NETWORK LLC, et al.<sup>1</sup> ) Case No. 22-10964 (MG)  
Debtors. ) (Joint Administration Requested)

**DECLARATION OF ALEX MASHINSKY,  
CHIEF EXECUTIVE OFFICER OF CELSIUS NETWORK LLC,  
IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

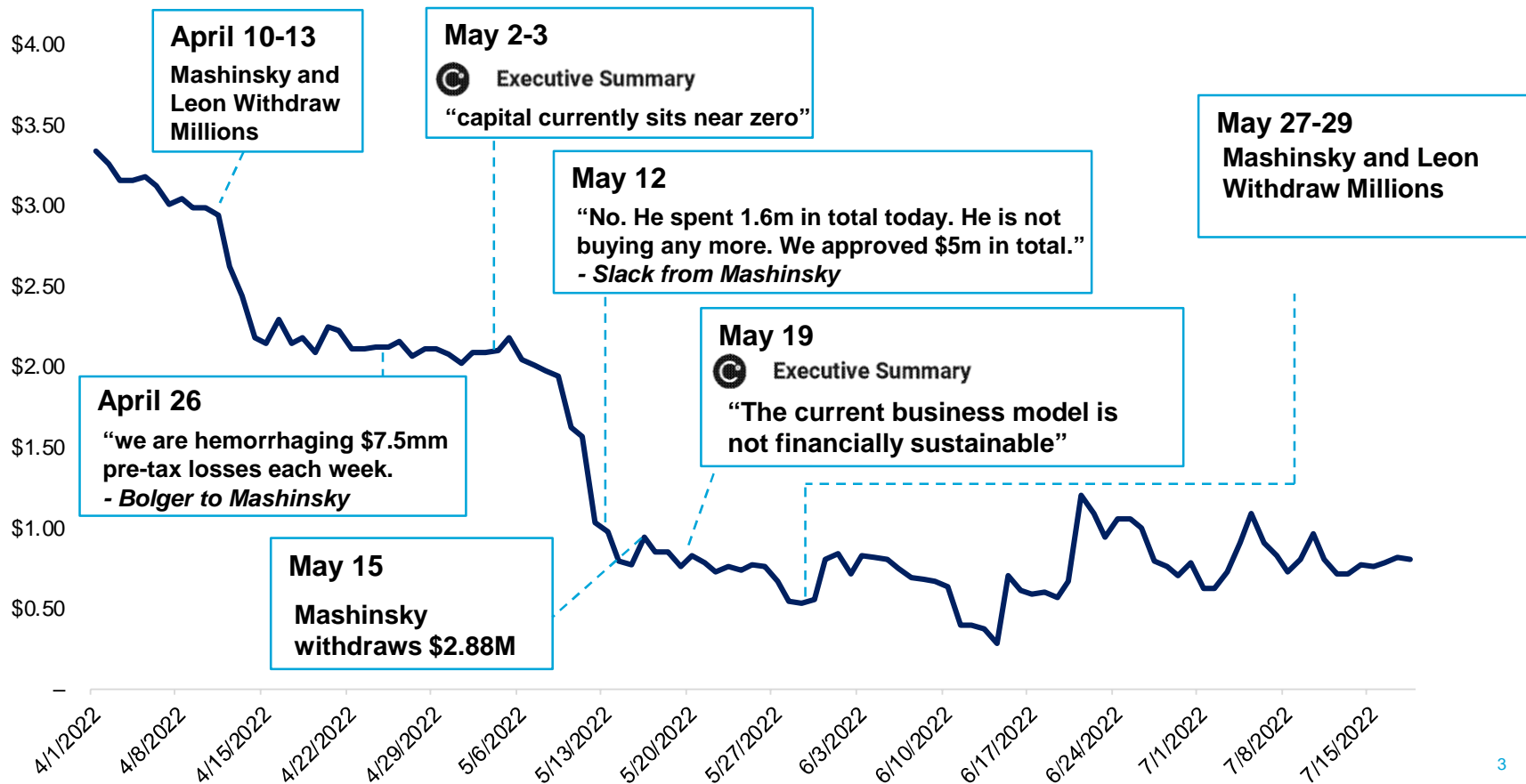
I, Alex Mashinsky, Chief Executive Officer of Celsius Network LLC (together with the above captioned debtors and debtors in possession, the "Debtors"), and certain of its Debtor and non-Debtor affiliates (collectively, with the Debtors, "Celsius" or the "Company"), hereby declare under penalty of perjury:

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius Keyfi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network, Inc. (1219); Celsius Network Limited (8554); Celsius Network Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

<b>Celsius Network Inc.</b>	
Consolidated Assets & Liabilities, as of July 13, 2022	
(USD, MM\$)	
<b>Liabilities</b>	
User Liabilities	\$ (4,720)
CEL Liabilities	(210)
Custody Liabilities	(180)
Other	(390)
<b>Total Liabilities</b>	<b>\$ (5,500)</b>
<b>Assets</b>	
Bank Cash	170
Crypto Assets	1,750
Loans	930
Allowance For Doubtful Accounts	(310)
Net Loans	620
Mining Assets	720
Custody Assets	180
CEL Token	600
Other	270
<b>Total Assets</b>	<b>\$ 4,310</b>
<b>Surplus / (Deficit)</b>	<b>\$ (1,190)</b>
<p><b>Note</b> These preliminary unaudited amounts are presented on a non-GAAP basis for illustrative purposes only and are rounded to the nearest \$10 million USD. Amounts include non-Debtor subsidiaries. Celsius generally does not produce mid-month balances sheets, and the intent here is to provide a snapshot and directional sense for various assets and liabilities as of the petition date. Amounts from subsequent filings reflecting a petition date balance sheet may be materially different as a result of further review and diligence by management.</p>	



# What Was Uncovered



# The Chapter 11 Cases

2022	July Petition Date Committee Appointed	August Investigation Begins	September Mashinsky and Leon Removed	October Bid Procedures Approved	December Earn / Custody Trial
2023	January Final Examiner Report Customer Claims Ruling	February New Stalking Horse Committee Complaint Filed	March First Plan Filed	April Auction Begins Class Claim Filing Approved	May Fahrenheit Selected as Winning Bidder
	June Revised Plan and Disclosure Statement Filed	July Earn / Borrow Mediation	August Disclosure Statement Approved Class Claims Settlement Approved	September Plan Voting Process	October <b>Plan Confirmation</b>

# A Ground Breaking New Company

## Fahrenheit has applied a fourfold lens to restructuring NewCo

Objective: Maximize shareholder value

With the goal of maximizing shareholder value, Fahrenheit Group's restructuring plan for NewCo is:

### 4 Structure



- 1 Built on the foundation of **two core business lines: Bitcoin mining and Ethereum staking**
- 2 Powered by **seasoned, crypto-native operators** with a track record of **financial discipline that we believe is best-in-class**
- 3 Underpinned by a **proactive risk management** strategy intended to mitigate downside tail risk in underlying markets
- 4 Designed with the goal of optimizing valuation and liquidity through a **public Nasdaq listing**

# Voting Results

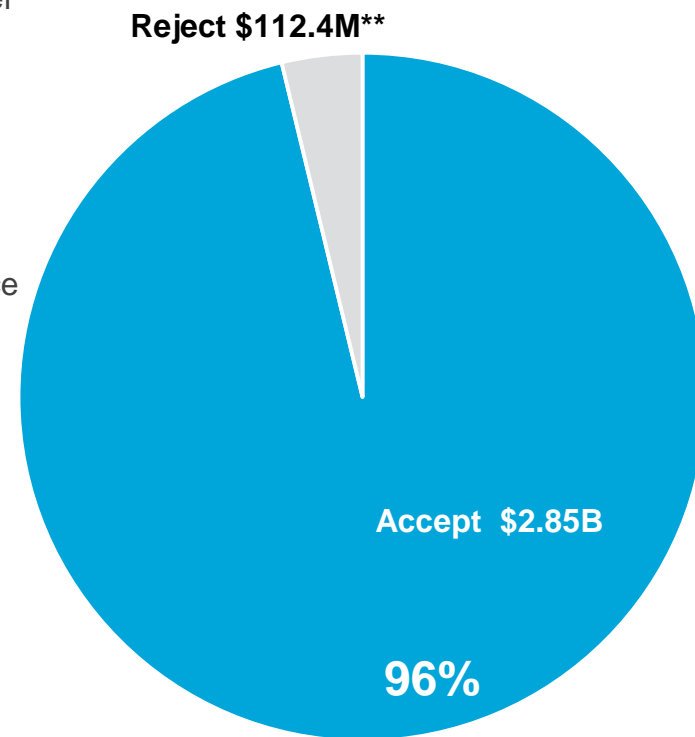
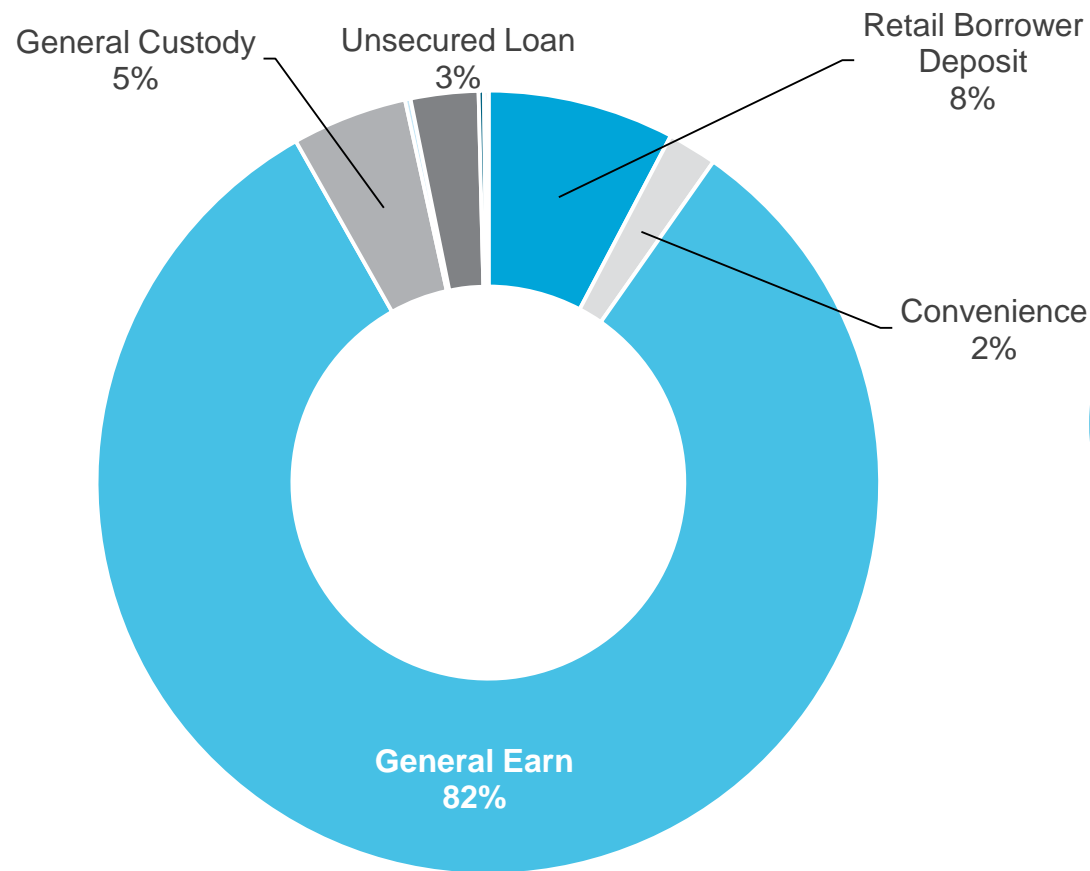
\*Does not include general unsecured claims, regulatory, or preferred equity claims

Class	Number Accepting	% Voting	Dollars Accepting	% Voting
Retail Borrower Deposit Claim	4,215	98.83%	\$220,581,222	96.33%
Convenience Claims	38,248	98.25%	\$59,269,958	98.69%
General Earn Claims	38,734	99.35%	\$2,418,402,994	99.28%
General Custody Claims	5,869	99.51%	\$139,830,980	98.78%
Withhold Claims	654	98.79%	\$5,386,520	82.56%
Unsecured Loan Claims	0	100%	\$0	100%
<b>Total Results</b>	<b>87,720</b>		<b>\$2,843,471,671</b>	

*Amended Declaration of Brian Karpuk Regarding the Solicitation And Tabulation of Votes on the Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and its Debtor Affiliates [D.I. 3574]*

# Total Claims By Dollar Amount

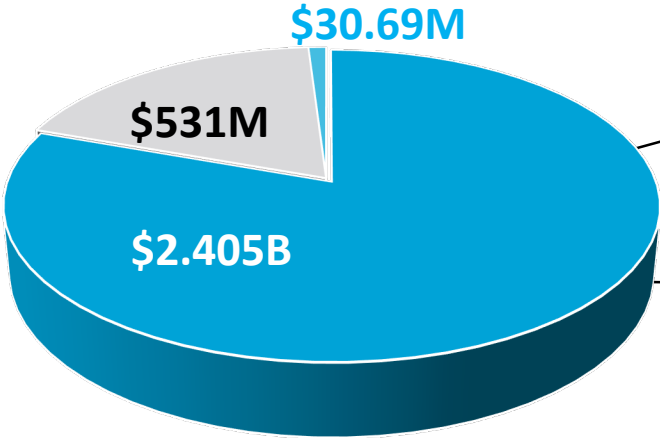
\*Does not include regulatory or equity claims



\*\*73% in amount rejecting votes are from Pharos Fund SP and Pharos USD Fund SP  
\*\*\*Withhold, GUC CNL, GUC Consolidated, GUC Mining all <1% each

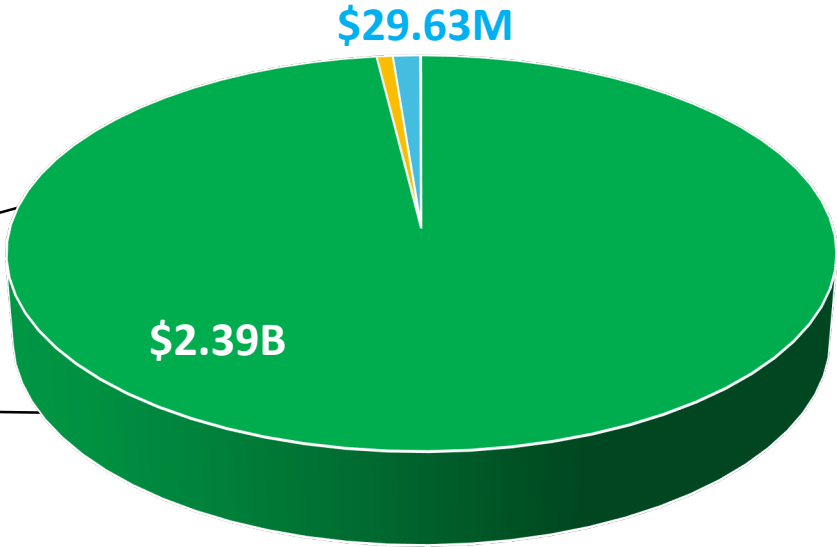
# General Earn Claims

**General Earn Claims as Percent of Total Claims**



- General Earn
- Remaining Claims
- CEL Token Earn

**General Earn Claims Acceptance**



- Earn Approval
- Earn Rejection
- CEL Approval
- CEL Rejection

Class 5 (General Earn Claims)				
Accept	38,734	99.35%	\$2,418,402,994.19	99.28%
Reject	254	0.65%	\$17,495,733.72	0.72%

# Celsius' Disclosures Regarding the CEL Token

22-10964-mg Doc 393 Filed 08/08/22 Entered 08/08/22 22:53:06 Main Document  
Pg 1112 of 1126

Digital assets are not legal tender, Celsius is not a bank or depository institution, and your Celsius account is not a deposit or savings account. Digital assets in your Celsius account, including, but not limited to, digital assets used by you in Celsius' custody service, are not held by Celsius as a fiduciary, are not insured by any private or governmental insurance plan (including the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC)), and are not covered by any compensation scheme (including the Financial Ombudsman and Financial Services Compensation Scheme (FSCS)).

#### 4. Risks Related to Celsius

CEL tokens ("CEL" or "Tokens")  
arbitrage strategy, immediate or  
purchased and used for their utility  
Tokens see [CEL Token Explained](#).

Celsius may change, from time to  
platform, including adding new utility

CEL Tokens do not entitle their holders to any share in Celsius profits (past, present, or future), or payment of dividends), or to exercise any voting or ownership rights in relation to Celsius.

All purchases of CEL Tokens are final and nonrefundable, and Celsius is not required to provide a refund to you for any reason, to repurchase any Tokens from you, or to redeem Tokens for any consideration whatsoever.

As with other digital assets, CEL is susceptible to a wide variety of risks, including the risk of theft, loss of keys, irreversibility of transactions, failure of the underlying blockchain, and regulatory risks. CEL may further be subject to high volatility, limited liquidity and risk of swift and unexpected loss of value. See further section 2 above, "Risks Related to Digital Assets Generally."

Celsius does not control, and shall not be responsible or liable for, volatility in CEL prices or any financial gains or losses which may be experienced by CEL holders.

As utility tokens intended to be used within Celsius' platform, CEL Tokens may become unusable, illiquid and/or worthless in the event that Celsius' platform ceases to operate for any reason whatsoever. Celsius will not redeem or repurchase any Tokens in any such event. The utility of CEL Token within Celsius' platform is subject to change at any time at Celsius' sole discretion, and without notice to you.

Applicable laws and regulations, including regulatory changes and enforcement actions, may limit the utility, functionality, accessibility and transferability of the Tokens, and have a substantial detrimental effect on their value.

A digital wallet or wallet service provider may not be technically compatible with the CEL Token ERC-20 protocol, which may result in a complete and irreversible loss of any Tokens transferred thereto.

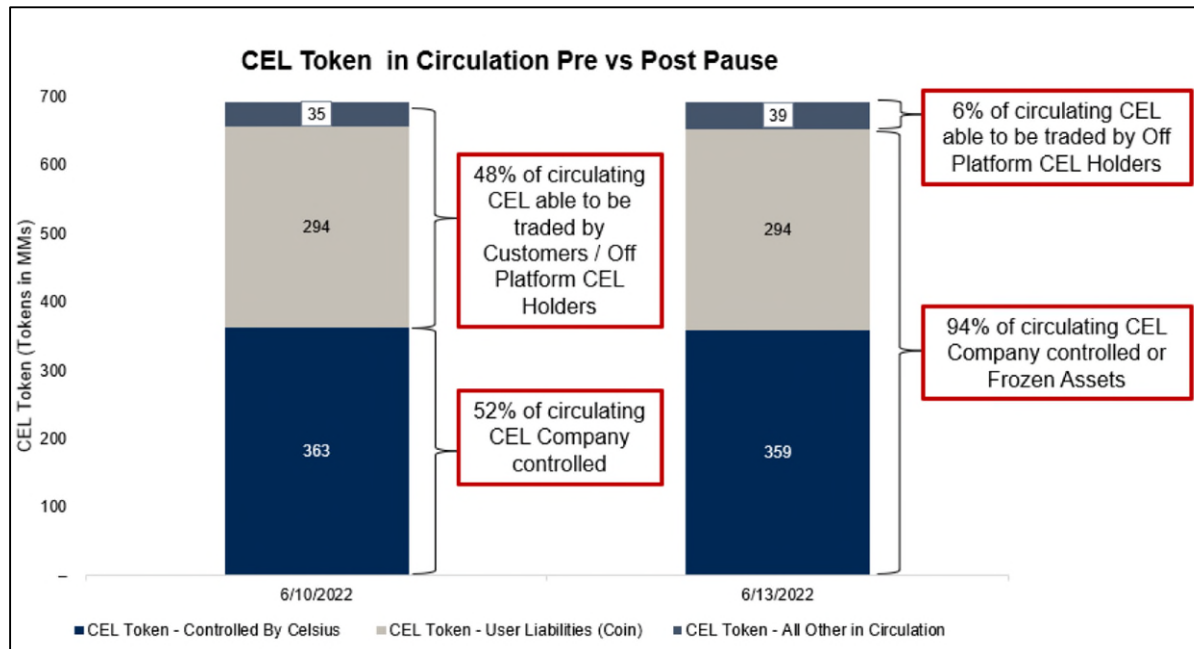
The Tokens have not been, and are not intended to be, registered under the U.S. Securities Act, the UK Financial Services and Markets Act, or the applicable Laws of any other jurisdiction. In the absence of

As utility tokens intended to be used within Celsius' platform, CEL Tokens may become unusable, illiquid and/or worthless in the event that Celsius' platform ceases to operate for any reason whatsoever. Celsius will not redeem or repurchase any Tokens in any such event. The utility of CEL Token within Celsius' platform is subject to change at any time at Celsius' sole discretion, and without notice to you.

*Declaration of Alex Mashinsky Chief Executive Officer of Celsius Network LLC,  
Providing Terms of Use Dating Back to February 18, 2018 [Dkt. No. 393] at 1112*

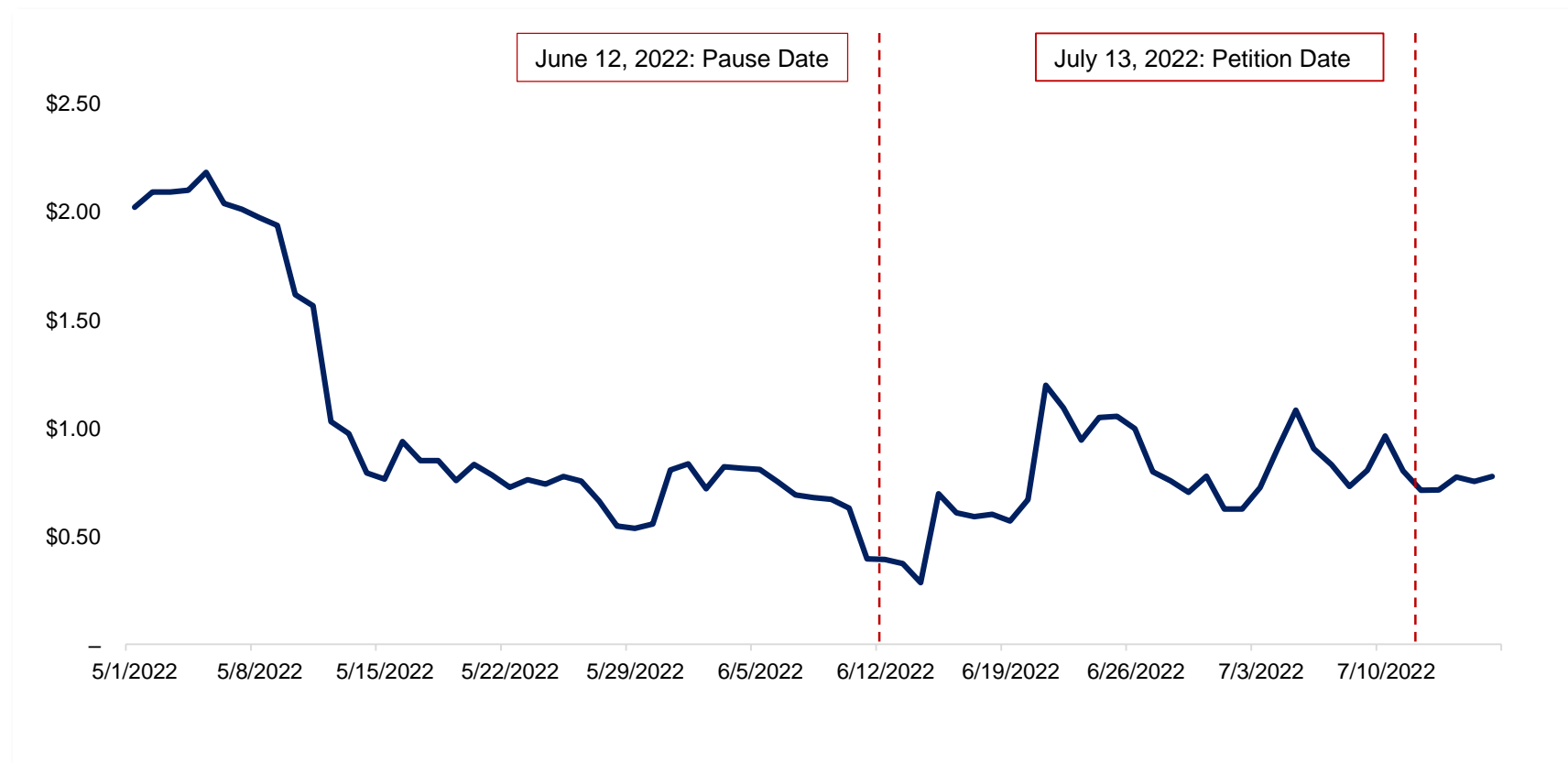
# What Is the Value of the CEL Token

- Following the Petition Date, 5% of the CEL Token was not locked on the Celsius platform and the market for CEL Token became extremely dislocated.





# The Market Price of the CEL Token



Galka Expert Report - Figure 4 [Dkt. No. 3580]

# The CEL Token Settlement

22-10964-mg Doc 3577 Filed 09/27/23 Entered 09/27/23 11:25:05 Main Document  
Pg 1 of 193

Joshua A. Sussberg, P.C.  
**KIRKLAND & ELLIS LLP**  
KIRKLAND & ELLIS INTERNATIONAL LLP  
601 Lexington Avenue  
New York, New York 10022  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900

Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)  
Ross M. Kwastaniet, P.C. (admitted *pro hac vice*)

*Counsel to the Debtors and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,<sup>1</sup>

Debtors.

- Except as provided in Article III.B.17, all CEL Token Deposit Claims, other than Custody Claims that are CEL Token Deposit Claims, shall be valued at \$0.25/CEL Token (*i.e.*, 1 CEL Token equals a \$0.25 CEL Token Deposit Claim), and shall otherwise receive the treatment associated with the program in which they were deployed.
- All Claims on account of CEL Token identified in the Schedule of Equitably Subordinated Claims will be subordinated without distribution as provided in Article III.B.16 or Article III.B.17, as applicable.

**NOTICE OF FILING OF MODIFIED JOINT CHAPTER 11 PLAN OF  
REORGANIZATION OF CELSIUS NETWORK LLC AND ITS DEBTOR AFFILIATES**

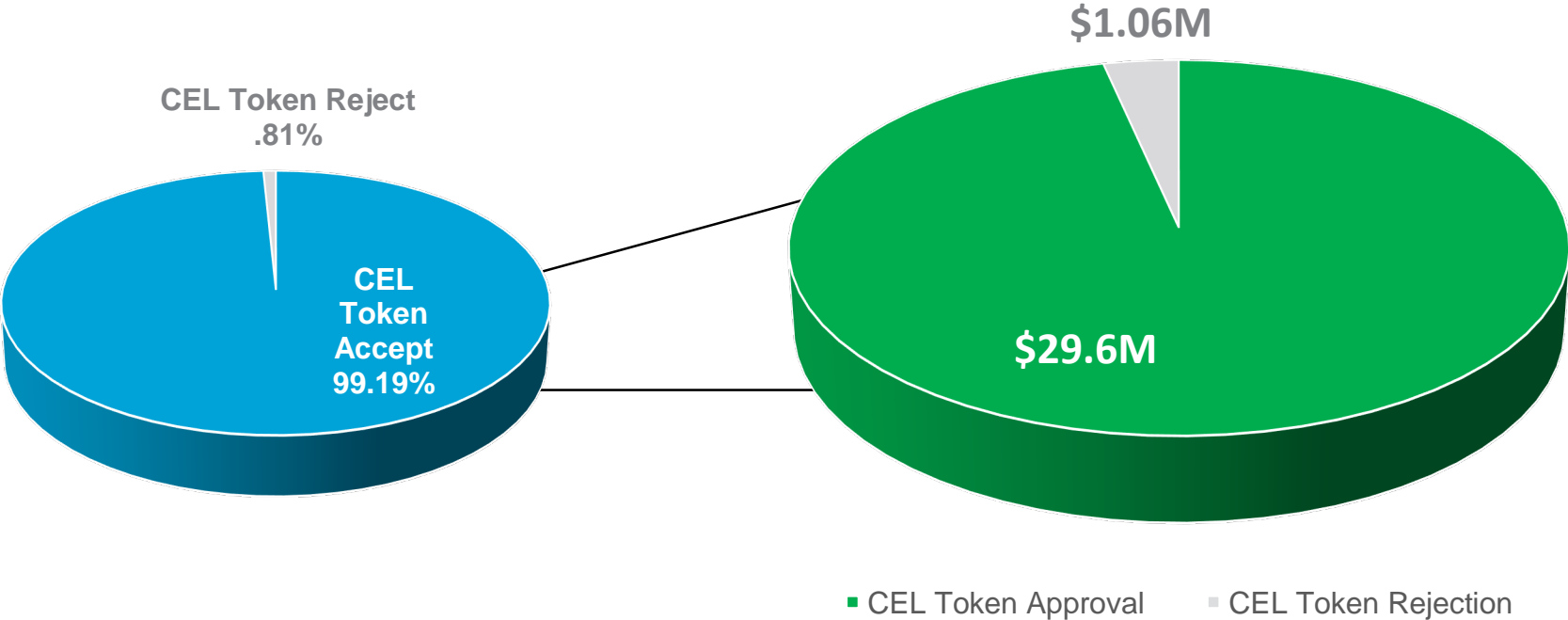
**PLEASE TAKE NOTICE** that on August 15, 2023, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the fourth revised *Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and Its Debtor Affiliates* [Docket No. 3319] (the "Solicitation Plan").

**PLEASE TAKE FURTHER NOTICE** that on August 17, 2023, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order

*Modified Joint Chapter 11 Plan of Reorganization of Celsius Network LLC and its Debtor Affiliates* [Dkt. No. 3577] at 39

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

# CEL Token General Earn Claims



Class 5 (General Earn Claims) – CEL Token Votin Results				
Accept	18,087	99.19%	\$29,633,868.86	96.55%
Reject	148	0.81%	\$1,058,443.73	3.45%